

AGENDA  
**ADMINISTRATIVE RULE MEETING**

**UTAH STATE TAX COMMISSION**

August 14, 2008 • 8:00 a.m.  
Commission Hearing Room 1025 • 210 North 1950 West  
Salt Lake City, Utah

1 Commission Business

- 1.1 Call to Order
- 1.2 Approval of Minutes for June 27, 2008

2 Proposed Rules for Adoption by the Commission

There will be public comment and discussion prior to Commission action.

- 2.1 R865-9I-4 Equitable Adjustments Pursuant to Utah Code Ann. Section 59-10-115.

*Rule is repealed since it duplicates statutory language.*

- 2.2 R865-9I-11 Share of Nonresident Estate or Trust, or its Beneficiaries in State Taxable Income Pursuant to Utah Code Ann. Section 59-10-207.

*Rule is repealed since rule language appears in statute.*

- 2.3 R865-9I-12 Fiduciary Adjustment Pursuant to Utah Code Ann. Section 59-10-210.

*Rule is repealed because the substance of the rule appears in statute.*

- 2.4 R865-9I-13 Nonresident's Share of Partnership or Limited Liability Company Income Pursuant to Utah Code Ann. Sections 59-10-116, 59-10-117, 59-10-118 and 59-10-303.

*The proposed amendment repeals the 15% deduction allowed on the partnership composite return since most deductions were repealed by 2008 HB 359.*

- 2.5 R865-9I-39 Subtraction from Federal Taxable Income for a Handicapped Child or Adult Pursuant to Utah Code Ann. Sections 59-10-114, and 59-10-501.

*Rule is repealed since the deduction for a handicapped child or adult was repealed in 2008 HB 359.*

- 2.6 R865-9I-48 Adoption Expenses Deduction Pursuant to Utah Code Ann. Section 59-10-114.

*Rule is repealed because the deduction for adoption expenses was repealed by 2008 HB 359.*

- 2.7 R865-9I-52 Subtractions for Health Care Insurance and for Premiums for Long Term Care Insurance Pursuant to Utah Code Ann. Section 59-10-114.

*Proposed amendment deletes reference to a state tax deduction for long-term care insurance since 2008 HB 359 repealed that deduction.*

- 2.8 R861-1A-1 Administrative Procedures Pursuant to Utah Code Ann. Section 59-1-210.

*The rule is unnecessary. The repealed language either exists in statute or is not needed.*

- 2.9 R861-1A-3 Division Conferences Pursuant to Utah Code Ann. Section 59-1-210 and 63-46b-1.

*Proposed amendment repeals language, the substance of which is found in another Tax Commission rule.*

- 2.10 R865-6F-35 S Corporation Determination of Tax Pursuant to Utah Code Ann. Section 59-7-703.

*Proposed amendment deletes language referring to deductions that no longer exist because of recent statutory changes; adds a recapture provision required by federal law that has been commission practice.*

- 2.11 R865-9I-6 Returns by Husband and Wife when one is a Resident and the other is a Non-Resident Pursuant to Utah Code Ann. Sections 59-10-119.

*Proposed amendment repeals references to deductions that have been repealed with the passage of the single rate income tax.*

- 2.12 R865-9I-50 Addition to Adjusted Gross Income for Interest Earned on Bonds, Notes, and Other Evidences of Indebtedness Pursuant to Utah Code Ann. Section 59-10-114.

*The proposed amendment replaces “federal taxable” income with “adjusted gross” income to follow changes to the calculation of state income tax.*

- 2.13 R865-19S-94 Tips, Gratuities, and Cover Charges Pursuant to Utah Code Ann. Section 59-12-103.

*Proposed amendment deletes language indicating that if a tip is included on a patron’s bill and the total amount of the tip is passed on to the server, the tip is not subject to sales tax. The current definition of sales price includes a charge by the seller for any service necessary to complete the sale. Thus, all tips included on a patron’s bill are subject to sales tax.*

- 2.14 R865-20T-13 Calculation of Tax on Moist Snuff Pursuant to Utah Code Ann. Section 59-14-302.

*The proposed rule indicates how the tax on moist snuff is calculated when the weight of the moist snuff is a fractional part of one ounce.*

Although the formal public comment period published through the Division of Administrative Rules has concluded for the rules posted on this agenda, the Commission will accept comments on these rules at the meeting and prior to the meeting in writing. Comments can be addressed to Commissioner Dixon and emailed to [taxrules@utah.gov](mailto:taxrules@utah.gov), faxed to 801-297-3919, or mailed to The Office of the Commission, Utah State Tax Commission, 210 N. 1950 W., Salt Lake City, Utah 84134. For questions, please call Cheryl Lee at 297-3900. Full text of rules can be found at [www.tax.utah.gov](http://www.tax.utah.gov). If you would like to receive notice of future rule items, email [clee@utah.gov](mailto:clee@utah.gov) with your name, email address and request to be added to the Tax Commission rules list server.

Tax Commissioners may participate in the meeting via telephonic communications per Rule R861-1A-43 – Electronic Meetings Pursuant to Utah Code Ann. Section 52-4-207. If a Commissioner does participate via telephonic communication, the Commissioner will be on speaker phone. The speaker phone will be amplified so that the other Commissioners and all other persons present in the Commission Chambers will be able to hear all the discussions.

Those who need special accommodations in accordance with the American Disabilities Act may call (801) 297-3811. Please give up to three working days notice to arrange accommodations. Hearing impaired callers may call the Telecommunication Device for the Deaf (TDD) at (801) 297-3819.

A copy of this agenda was posted in the front foyer of the Tax Commission Building, Salt Lake City, Utah and on the Tax Commission Website at [www.tax.utah.gov](http://www.tax.utah.gov). The Commission public information officer also provided copies of this agenda for the news media via electronic transmission.

Posted: 8/7/08

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